113. Military Assistance and Arms Sales to Pakistan.—The March 1971 outbreak of internal strife in East Pakistan resulted in ending the trend of successive modifications to the U.S. military supply embargo, announced in 1965, on the supply of all military equipment to India and Pakistan.

Following the outbreak of internal fighting in East Pakistan, the United States decided to (1) hold in abeyance any further action on an earlier exception to the embargo on the sale of lethal end-items, (2) suspend the issuance of any additional export licenses or the renewal of expired licenses for articles on the munitions list, and (3) place a hold on the delivery of foreign military sales from defense stocks.

No embargo was placed on exports to Pakistan. Therefore defense articles on open export licenses

issued prior to or on March 25, 1971, still could be exported to Pakistan. The value of the unshipped balance of munitions list articles licensed for export at this time was about $35 million.

In inquiring into these interim actions and their results, we found that:

Munitions list articles exported to Pakistan between March 25 and September 30, 1971, under open export licenses were valued at about $3.8 million.

Department of Defense agencies continued to release spares for lethal end-items from their stocks despite a departmental directive which placed a hold on such deliveries in April 1971.

The U.S. Air Force shipped directly to Pakistan, from March to July 1971, some $563,000 worth of spare parts on a priority basis.

The United States and Pakistan entered into about $10.6 million worth of foreign military sales contracts after March 25, 1971. However, no export licenses were issued for these contracts.

When hostilities between India and Pakistan broke out, the Department of State, on November 8, 1971,

revoked all outstanding licenses for exporting munitions list items to Pakistan. In commenting on the report, the Department of State advised us that exports to Pakistan, occurring prior to November 8, 1971, were inadvertent breaches of policy in effect at that time. (Report to Senator Edward M. Kennedy, B–173651, Feb. 3, 1972)

UNCLASSIFIED

255.02
B-173651

COMPTROLLER GENERAL'S REPORT TO THE HONORABLE EDWARD M. KENNEDY UNITED STATES SENATE

MILITARY ASSISTANCE AND ARMS SALES TO PAKISTAN
Department of State
Department of Defense B-173651

6
7

D I G E S T

WHY THE REVIEW WAS MADE

This review--an inquiry into the policy, authorization, volume, and content of military aid to Pakistan--was made at the request of Senator Edward M. Kennedy. The inquiry was directed toward providing summary information on the above areas with emphasis on events and deliveries of military-type articles between March 25 and November 8, 1971. (See p. 3.)

FINDINGS AND CONCLUSIONS

Prior to the 1965 outbreak of hostilities between India and Pakistan, the United States provided Pakistan with millions of dollars worth of equipment and services under the military grant aid, excess property, sales, and ship loan programs. This assistance was provided under the terms of a mutual defense assistance agreement between the Governments of the United States and Pakistan and under other related bilateral agreements. (See pp. 4 and 5.)

1965 embargo on Pakistan

On September 8, 1965, the United States placed an embargo on the supply of military equipment to India and Pakistan because of the outbreak of hostilities between the two countries. (See p. 7.)

Modification of embargo

The United States modified the embargo early in 1966 to permit India and Pakistan to purchase nonlethal articles with a case-by-case determination being made by U.S. officials prior to the issuance of the applicable export licenses. (See p. 8.)

New military supply policy

In 1967, after an extensive policy review, the United States decided, among other actions, that (1) grant military aid, suspended since 1965, would not be resumed except for a possible small military training program in the United States and (2) requests for the sale of ammunition and spare parts for military equipment previously provided, including previously barred spares for lethal equipment, would be considered on a case-by-case basis, in addition to requests to purchase nonlethal items. (See pp. 8 and 9.)

700951
UNCLASSIFIED
720303
FEB. 3,1972
091331

Military supply policy exception

The only identified exception to the above military supply policy was made in October 1970 when the United States offered to sell certain lethal end-items--armored personnel carriers and some aircraft--in response to long-standing requests from the Government of Pakistan. (See p. 9.)

Pakistani civil strife

Following the outbreak of internal fighting in Pakistan on March 25, 1971, the United States decided to (1) hold in abeyance any further action on the October 1970 exception to the embargo on the sale of lethal end-items, (2) suspend the issuance of any additional export licenses or the renewal of expired licenses for articles on the Munitions List, and (3) place a hold on the delivery of foreign military sales from Defense stocks. (See p. 10.)

No embargo was placed on exports to Pakistan. Therefore defense articles on open export licenses issued prior to or on March 25, 1971, still could be exported to Pakistan. The value of the unshipped balance of Munitions List articles licensed for export at March 25, 1971, was about $35 million. (See pp. 10 and 15.)

In inquiring into these interim actions and their results, the General Accounting Office found that:

--Munitions List articles exported to Pakistan between March 25 and September 30, 1971, under open export licenses were valued at about $3.8 million. (See p. 16.)

--Department of Defense agencies continued to release spares for lethal end-items from their stocks despite a departmental directive which placed a hold on such deliveries in April 1971. (See pp. 19 and 20.)

--The U.S. Air Force shipped directly to Pakistan from March to July 1971 some $563,000 worth of spare parts on a priority basis. Many of these spare parts were needed for inoperable lethal end-items. (See p. 20.)

--About $10.6 million worth of foreign military sales contracts were entered into by the United States and Pakistan after March 25, 1971. The military services were not formally instructed by the Department of Defense to stop making offers until August 12, 1971, although we were advised that oral instructions had been given early in July. No export licenses were issued by the Department of State for these contracts. (See pp. 21 and 22.)

Subsequent to the completion of our fieldwork, the Department of State, on November 8, 1971, revoked all outstanding licenses for the export of Munitions List items to Pakistan. (See p. 17.)

~~SECRET~~

Military Assistance And Arms Sales To Pakistan

B-173651

Department of State

Department of Defense

"This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, as respectively amended, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law."

2

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

~~SECRET~~

FEB. 3, 1972

A REPORT PREPARED BY THE GENERAL ACCOUNTING OFFICE

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C.

B-173651

Hon. EDWARD M. KENNEDY,
U.S. Senate,

DEAR SENATOR KENNEDY: In response to your request of July 14, 1971, we have made an inquiry into military assistance and arms sales to Pakistan.

This report discusses the basis under which military aid was provided; the objectives of military aid provided prior to the 1965 outbreak of hostilities between Indian and Pakistan; the changes in the U.S. military supply policy for Pakistan since the 1965 hostilities; U.S. Government responsibility for and controls over the export of arms, ammunition, and implements of war; and the articles exported or released for export after the March 1971 outbreak of internal strife in East Pakistan. The substance of the report is presented in the digest, which follows the table of contents.

We did not request formal agency comments on this report. We have discussed it with representatives of the Departments of State and Defense and have considered their views concerning its contents. The security classifications reflected in the report have been coordinated with the Departments of State and Defense.

We believe that the contents of this report would be of interest to other committees and members of Congress. Release of the report will be made, however, only upon your agreement or public announcement by you concerning its contents.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

CHAPTER 1

INTRODUCTION

The General Accounting Office has inquired into certain aspects of military assistance and arms sales to Pakistan. The work was initiated at the request of Senator Edward M. Kennedy.

Digitized by Google

In Senator Kennedy's letter of July 1971 to the Comptroller General, he requested that an inquiry be made into the policy, authorization, volume, and content of U.S. military aid to Pakistan, with emphasis on developments since April 1, 1971.

Our work was performed at the Department of State (principally the Office of Munitions Control) and the Department of Defense in Washington, D.C.; the Bureau of Customs in New York City; military installations in Dayton, Ohio, and Bayonne, New Jersey; and the U.S. Embassy in Pakistan. We also discussed military shipments with two commercial export firms and with a Pakistani freight-forwarding agent.

CHAPTER 2

BASIS FOR AND OBJECTIVES OF DEFENSE AID PRIOR TO OUTBREAK OF 1965 HOSTILITIES

Diplomatic relations between the United States and Pakistan were established upon the latter's independence in 1947. During the period preceding the 1965 outbreak of hostilities between India and Pakistan, United States and Pakistan relations became increasingly close, partly as a result of bilateral mutual defense assistance agreements and Pakistan's participation in the multilateral Southeast Asia and Central Treaty Organizations.

Basis for defense aid

On May 19, 1954, the Governments of the United States and Pakistan entered into a mutual defense assistance agreement under which the United States agreed to make available such equipment, materials, services, or other assistance as may be mutually agreed upon.

The agreement states that the Pakistani Government will not, without the prior agreement of the United States, devote such assistance to purposes other than those for which it was furnished. According to the agreement the assistance is to be used by the Government of Pakistan to maintain its internal security and its legitimate self-defense or to permit it to participate in the defense of the area or in United Nations collective security arrangements and measures. Additionally the agreement states that Pakistan will not take any act of aggression against any other nation.

Pursuant to the 1954 agreement, the United States and Pakistan have entered into other arrangements covering such matters as the defense budget support, construction of facilities for use by the Pakistani Armed Forces, and disposition of U.S.-supplied equipment which is no longer required by the Pakistani Government.

In 1959 the United States and Pakistan entered into a bilateral defense agreement under which the United States was committed to take such appropriate action, including the use of Armed Forces, as may be mutually agreed upon in the event of aggression against Pakistan. According to the Department of State, the agreement limits the U.S. obligation to considering the possible use of U.S. Forces to cases of Communist aggression.

In addition to entering into the bilateral defense aid agreements, the United States and Pakistan are members of the multilateral Southeast Asia Treaty Organization. Under the treaty each member is committed to recognize that aggression by armed attack in the treaty area on any of the parties or on any state or territory unanimously designated will endanger its own peace and safety. Also each member agrees to act to meet the common danger in accordance with its constitutional processes. The United States has limited its commitment by an understanding that the effect of the foregoing applies only to Communist aggression.

The treaty provides that each party, separately and jointly, by self-help and mutual aid maintain and develop its individual and collective capacity to resist armed attack and to prevent and counter subversive activities directed from without against its territorial integrity and political stability.

Defense aid programs and objectives

[Deleted.]

CHAPTER 3

CHRONOLOGY OF CHANGES IN MILITARY SUPPLY POLICY SINCE 1965

The March 1971 outbreak of internal strife in East Pakistan resulted in ending, at least temporarily, the trend of successive modifications to the U.S. military

Digitized by Google

supply embargo announced in 1965. A chronology of the major changes in the U.S. military supply policy for Pakistan since 1965 is presented below. Information on the volume of military aid and arms sales to Pakistan is included as appendix II [which has been deleted because it has been classified "secret"].

1965: Indian-Pakistani War

The continuing Indian-Pakistani dispute over Kashmir erupted into a large-scale armed conflict in September 1965. The conflict lasted until September 23, 1965, when a cease fire arranged by the United Nations became effective.

In response to the outbreak of hostilities, the United States, on September 8, 1965, placed an embargo on the supply of all military equipment to India and Pakistan. The embargo included commercial sales of items on the Munitions List, all undelivered grant equipment and services, and government-to-government military sales.

A Department of Defense publication noted that the embargo hurt Pakistan much more than India, because Pakistan did not produce a significant portion of its armament requirements and did not have a ready source of arms outside the free world. It was estimated that, at the time of the embargo, the United States was the supplier of about 80 percent of Pakistan's modern weapons.

1966: Modification of embargo

Early in 1966 the U.S. Government decided that Pakistan and India would be permitted to purchase nonlethal Munitions List items with a case-by-case determination being made by U.S. officials prior to the issuance of the applicable export licenses. The embargo on lethal items remained in effect.

The embargo modification involved the nonlethal items that had been contracted for, those licensed before deliveries were suspended on September 8, 1965, as well as those items for which license applications had been received but not acted upon at the time the U.S. embargo on all shipments went into effect. Examples of the types of items that could be sold under the policy modification included communications, medical, and transportation equipment.

According to information provided by the Departments of State and Defense, factors leading to the U.S. decision to permit limited sales of nonlethal items included:

Actions taken by the Governments of India and Pakistan to implement withdrawal provisions of the United Nations Security Council resolution of September 1965.

Pakistan's reliance on the United States for spares support stemming from the fact that most of its military equipment had been supplied by the United States.

Renewal of United States-Pakistani military contacts and possible reduction of the pressures on Pakistan to seek supplies and equipment from other foreign sources, particularly from Communist China.

1967: New military supply policy

In April 1967 the U.S. Government announced that an extensive policy review had been completed with regard to providing military equipment to India and Pakistan. As a result of that review, the following decisions were made.

Grant military aid, suspended since 1965, would not be resumed except for a possible small military training program to be conducted in the United States.

The U.S. Military Assistance Advisory Group and the Military Supply Mission would be withdrawn from Pakistan and India, respectively.

Restrictions on the kinds of spare parts which could be sold would be removed. The U.S. Government would consider, on a case-by-case basis, all requests for the sale of ammunition and spare parts for military equipment previously provided, including previously barred spares for lethal equipment.

Spare parts would be sold on a cash basis; credit would be advanced only for nonlethal end-items.

Requests for end-item sales by a third country would be considered on a case-by-case basis whenever U.S.-controlled equipment was involved.

In commenting on the military supply policy, Department of State officials noted that it was designed to limit the acquisition of arms, to reduce military defense expenditures, and to encourage the allocation of resources toward economic development.

Digitized by Google

Although the military supply policy did not remove the embargo on the direct U.S. sale of lethal end-items, the possibility of such future sales was recognized. Documents made available for our review showed that it had been decided that any requests for the sale of lethal end-items as attrition replacements would be considered whenever the situation arose. According to the Departments of State and Defense, no such sales were made.

1970: Military supply policy exception

As a one-time exception to the military supply policy for India and Pakistan, the United States offered to sell certain lethal end-items to Pakistan in response to longstanding Pakistani requests. The one-time exception, announced in October 1970, authorized the sale of 300 armored personnel carriers and about 20 aircraft.

The sale was to be made on a cash basis and was to consist of replacements for equipment previously supplied by the United States or of essentially unsophisticated items. The aircraft involved were interceptors, medium bombers, and maritime patrol aircraft.

We were advised by a Department of Defense official that subsequently firm arrangements were made only for the sale of the armored personnel carriers and related space parts at a cost of about $13.3 million. The offer was not accepted by Pakistan until January 1971, after the offer expiration date had been extended twice. We found no evidence that any deliveries had been made, however, and the Department of State stated that no deliveries were scheduled.

1971: Pakistani civil strife

Following the outbreak of internal Pakistani fighting in East Pakistan on March 25, 1971, the United States took certain interim actions with regard to the supply of military arms to Pakistan. The interim actions identified by the Departments of State and Defense included:

Placing a hold on the release of foreign military sales items from Department of Defense stocks.

Suspending the issuance of new export licenses and the renewal of expired licenses for items on the Munitions List.

Holding in abeyance any action on the one-time exception arms supply offer announced in October 1970.

According to officials of the Department of State, the above actions were implemented in April 1971, all the actions were interim pending a full and continuing review of the U.S. military supply policy, and the actions were formally endorsed as policy by the President prior to the release of a public statement of policy, dated July 1, 1971.

The results of our inquiry into the U.S. military supply policy, including the delivery of Munitions List items, are presented in more detail in chapter 5.

CHAPTER 4

U.S. GOVERNMENT RESPONSIBILITY FOR AND CONTROLS OVER EXPORT OF ARMS, AMMUNITION, AND IMPLEMENTS OF WAR

Under the Foreign Military Sales Act, as amended, the President is authorized to sell defense articles and services, to enter into contracts for the procurement of defense articles and services for sale to friendly countries and international organizations, and to finance the procurement of defense articles and services by friendly countries and international organizations. Section 414 of the Mutual Security Act of 1954, as amended, authorizes the President to control nongovernmental export of arms, ammunition, and implements of war, including related technical data.

According to the Department of State, these two acts provide the authority for the U.S. Government to control all military export sales from the United States whether on a government-to-government or commercial basis. (Commercial transactions are defined as those military export activities not procured or financed under the authority of the Foreign Military Sales Act or the Foreign Assistance Act.)

Certain responsibilities under the Foreign Military Sales Act have been delegated by the President to the Secretaries of State, Defense, and the Treasury. Responsibility for administration of the export of arms under section 414 of the Mutual Security Act has been delegated to the Secretary of State.

Digitized by Google

One of the principal functions of the Department of State in the area of military export sales involves determining whether there shall be a military sale to a country and the amount thereof. Within the Department of State, the Bureau of Politico-Military Affairs has primary responsibility for the control of military exports. Applications for commercial and foreign military sales are processed by the Bureau's Office of Munitions Control and Office of Military Assistance and Sales, respectively.

The Department of Defense is responsible for ensuring, among other functions, that foreign military sales proposals are properly coordinated and approved by the Department of State and, in the case of credit sales, by the Treasury Department prior to responding to a purchase request from a foreign government.

Licenses for export of commercial and foreign military sales

The Department of State's Bureau of Politico-Military Affairs has responsibility for directing the U.S. licensing program for control of international traffic in U.S.-origin arms, ammunition, implements of war, and related technical data as described in the International Traffic in Arms Regulations (Title 22, Code of Federal Regulations: Chapter 1, Subchapter M). Section 121.01 (referred to as the Munitions List) of the above regulations identifies the articles designated as arms, ammunition, and implements of war.

The Munitions List is maintained by the Department of State with concurrence of the Department of Defense and covers sensitive and significant articles that require export controls in consonance with the criteria spelled out in the Mutual Security Act.

Articles that clearly have only military applications are included automatically on the Munitions List. According to Department of State guidelines, those articles having both military and commercial applications are subject to jurisdictional discussions between applicable U.S. Government agencies and decisions on them are based on the articles' sensitivity. For example, a truck without guns or armor is not on the Munitions List; however, if it has hard points for mounting weapons or a water-fording capability, a Department of State export license is required.

The Office of Munitions Control, within the Department of State's Bureau of Politico-Military Affairs, processes all requests to export Munitions List articles commercially. An export license is required whenever a Munitions List article is to be exported by a non-U.S. Government entity. An export license is not required (1) when all aspects of a transaction are made by a U.S. Government agency or (2) when the actual transfer of possession of U.S. Government-owned articles is made in the United States by a U.S. Government agency to a foreign government or its carrier and when no private person or forwarding agent is involved in the export transaction.

Licenses issued by the Department of State are valid for not more than 1 year. According to the Office of Munitions Control, licenses may be denied, revoked, suspended, or revised under the Code of Federal Regulations whenever the Department of State deems such action advisable in furtherance of (1) world peace, (2) the security of the United States, or (3) the foreign policy of the United States or whenever the Department has reason to believe that section 414 of the Mutual Security Act or applicable regulations have been violated.

CHAPTER 5

ARTICLES EXPORTED AND RELEASED FOR EXPORT SINCE MARCH 25, 1971

The Department of State, in response to the internal strife in Pakistan, suspended the issuance of new export licenses. Until November 8, 1971, however, the Department allowed exports to continue under open licenses issued on or before March 25, 1971. The articles on the Munitions List that were licensed for export at March 25, 1971, were valued at about $35 million. In addition, the Department of Defense in April 1971 placed a hold on certain articles being shipped from Defense stocks for subsequent exportation to Pakistan. These articles included end-items, spare parts for lethal end-items, and ammunition.

Our inquiries into the status of exports to Pakistan since March 25, 1971, and the results of the actions taken by the Departments of State and Defense in reaction to the internal strife in Pakistan showed that:

Between March 25 and September 30, 1971, about $3.8 million worth of Munitions List articles were exported to Pakistan under valid licenses issued on or before March 25, 1971. Some of the items exported were lethal.

Digitized by Google

The Department of Defense agencies, despite departmental directives issued in April, continued to release from their stocks spare parts for lethal end-items.

The U.S. Air Force delivered to Pakistan tbout $563,000 worth of spare parts between March 25 and mid-July 1971 on a priority basis using the Military Airlift Command. Some of these spare parts were needed to place inoperable aircraft, such as F–104's, into operable condition.

Also we noted that the military departments entered into foreign military sales contracts of about $10.6 million with Pakistan between March 25 and June 30, 1971. The Department of State did not issue any export licenses in connection with these contracts.

These matters are discussed below in greater detail.

Status of exports

The export of Munitions List articles is controlled by the Department of State, and a Department export license is required for export of Munitions List articles, except for articles delivered on a government-to-government basis. Of the approximately 270 valid export licenses amounting to about $35 million on March 25, 1971, foreign military sales articles accounted for about $23 million and commercial sales articles for $12 million. The vast majority of articles covered by the export licenses were being procured by the Pakistani Government.

During the period March through September 1971, about $3.8 million worth of articles on the Department of States' Munitions List were exported to Pakistan. These articles were exported under some of the approximately 270 valid export licenses that were in effect at the time of the Pakistani internal strife. These articles included small arms and ammunition and spare parts for aircraft, tanks, naval vessels, vehicles, and electronic equipment. The articles were exported pursuant to both foreign military sales and, commercial transactions.

From Bureau of Customs and Department of State information and selected licenses, we found that most of the articles had been exported from New York City and that there were at least 11 vessels, including one U.S. flag carrier, involved in transporting the Munitions List articles to Pakistan.

Commercial sales

[Deleted.]

Examples of lethal items[1] shipped to Pakistan subsequent to March 25 under commercial sales export licenses issued on or before March 25, 1971, were as follows:

1. On an ocean bill of lading dated April 5, 1971, 297 rifles (Mauser) authorized for shipment under an export license issued prior to March 25, 1971, were shipped to a sporting goods importer in Karachi, Pakistan, from New York City.

2. On an ocean bill of lading dated April 17, 1971, 100,000 rounds for 7 mm. rifles, authorized for shipment under an export license issued on March 25, 1971, were shipped to a sporting-goods importer in Karachi from Baltimore, Maryland.

Since the Department of State allowed exports to continue under licenses issued on or prior to March 25, 1971, the above shipments were authorized. It should be pointed out, however, that, on November 8, 1971, the Department of State revoked all outstanding licenses for the export of Munitions List items to Pakistan. According to the Department of State, the value of the revoked licenses was about $3.6 million. Decreases in sales contracts and expiration and return of licenses generally accounted for that portion of the March value of outstanding licenses not exported.

Foreign military sales

In April 1971, after the start of the internal Pakistani strife of March 1971, the Department of Defense placed a hold on delivery of end-items, spare parts for lethal end-items, and ammunition. Our inquiry into these actions showed that, notwithstanding the hold on spare parts for lethal end-items, such items continued to be released from Department of Defense stocks. We were advised by the Departments of State and Defense that some of these items had been covered under valid licenses and may have been exported to Pakistan. Other items were not covered by valid licenses and presumably were not exported.

---

[1] According to the Department of State, private sales of sporting arms and ammunition in reasonable quantities were not prohibited by the ban on lethal items.

Digitized by Google

At the time of our review, the items which had been released from the Department of Defense but which had not been exported were in the hands of freight forwarders. We were informed by Department of Defense officials that those items were to be returned to Defense stocks. We did not reconcile the released items with individual export licenses because of the amount of time which would have been required to make such a comparison.

We were informed that the U.S. Navy delivered to Pakistan agents about $250,000 worth of foreign military sales items from its stocks between March 25 and October 22, 1971. Some of these items were spare parts for lethal end-items. For example, we noted that the U.S. Navy released some $10,400 in spare parts for torpedos on a foreign military sales case for Pakistan from June 17 to June 30. The items were released to the Pakistani freight forwarder for export under valid export licenses.

The machine listing provided to us by the Department of Defense, dated late in October 1971, showed that, after March 25, 1971, the U.S. Army shipped from its military depots or defense installations about 3,250 line items. We estimated that the value of these items was about $800,000. We could not readily ascertain, however, the end-item application for many of these items, but for the most part they appeared to be repair parts for vehicles.

The U.S. Air Force has released about $1.3 million worth of items from its depots. Many of the items were released pursuant to a cooperative logistics agreement which became effective on July 2, 1969. The stated purpose of the agreement was to enable the Pakistan Air Force to utilize the U.S. Air Force logistics system to obtain support for mutually agreed upon weapon systems and mission-related items of U.S. origin common to the Air Forces of both countries.

In addition to shipping items to a forwarding agent after March 25, 1971, the U.S. Air Force shipped direct to Pakistan about $563,000 worth of these items after March 25, 1971. The spares were not shipped to a forwarding agent for subsequent export to Pakistan but instead were flown direct to Pakistan via the regularly scheduled embassy support flight of the Military Airlift Command. These direct deliveries were being made as late as July 14, 1971, and were needed, according to Department of Defense officials, to put inoperable aircraft into operable condition.

Following are examples of spare parts for lethal end-items shipped by the Military Airlift Command.

SPARE PARTS SHIPPED TO PAKISTAN, APRIL THROUGH JULY 1971

Nomenclature and end-use	Shipping date	Federal stock No.	Quantity	Value
Fuel tank, F-104	Apr. 9	1560-587-5568LK	1	$5,548.00
Glass assembly, F-86	June 4	1560-339 8215MJ	1	420.90
Rudder assembly, B-57	July 5	1560-320-5377KC	2	2,200.00
Extractor, gunnery equipment	July 5	1005-731-3752GG	200	2,680.00
Hydraulic valve, F-104	July 9	1650-652-6152	1	1,647.00

Although the Department of Defense stated in June 1971 that the Air Force was not shipping to Pakistan, our inquiries into this area showed that the Military Airlift Command made shipments to Pakistan under a U.S. Air Force foreign military sales case in July. As previously stated these shipments included spare parts for inoperable Pakistani fighter and bomber aircraft.

Sales contracts entered into after March 1971

During our inquiry we noted that about $10.6 million involving 20 Defense foreign military sales offers had been accepted by the Pakistani Government after the outbreak of fighting in Pakistan.

One of the accepted offers made after March 25, 1971, was for items in support of Pakistani aircraft and amounted to about $9.7 million. This offer was made pursuant to a July 1969 cooperative logistics arrangement between the Pakistani and United States Air Forces.

We asked officials of the Departments of State and Defense to explain why the United States continued after March 1971 to enter into sales contracts with Pakistan in view of the possible inconsistency with the stated U.S. position for Pakistan. We were advised that the military services were not instructed to stop issuing offers until July 2 when, according to Department of State officials, the

Digitized by Google

services were orally told to discontinue the practice. Further we were informed that Department of State officials at the policy level were unaware of the nature of these sales offers.

Although there were no covering letters, the Department of State spokesman initially stated that each offer had been made with a covering letter which contained the explicit provision that none of the items contained in the attached offer could be shipped from the United States until such time as the U.S. policy on the issuance of licenses was changed.

In a later clarifying statement, the Department of State noted that the question of licenses was addressed as one of the long series of conditions which appeared on the reverse side of an offer and that one of those conditions was that the purchasers shall be responsible for obtaining the appropriate insurance coverage and, except for items exported by the U.S. Government, appropriate export licenses. The Department noted that no licenses had been issued covering the items under the subject offers and that none were contemplated.

According to the Department of State, officials of the Pakistan Supply Mission were advised on a number of occasions that items included in the offers could not be shipped until there was a change in U.S. policy on the issuance of export licenses. The Department of Defense issued formal instructions to the military services to stop issuing letters of offer on August 12, 1971.

Appendix [deleted].

Digitized by Google